

TABLE 1.--MEDICARE CATASTROPHIC COVERAGE ACT OF 1988
[Calendar year 1989]

Income Class 1/ (\$1000s)	Average income per return 1/	Average tax liability per return	Supple- mental premium per enrollee 2/ (per month)	Monthly basic premium per enrollee 4/	Total premium per enrollee (per month)
SINGLE RETURNS					
\$0- \$5	\$3,468	\$0	\$0.00	\$4.00	\$4.00
\$5- \$10	\$6,950	\$0	\$0.00	\$4.00	\$4.00
\$10- \$15	\$12,455	\$97	\$0.00	\$4.00	\$4.00
\$15- \$20	\$17,285	\$521	\$6.51	\$4.00	\$10.51
\$20- \$25	\$22,112	\$1,319	\$16.49	\$4.00	\$20.49
\$25- \$30	\$27,228	\$2,046	\$25.58	\$4.00	\$29.58
\$30- \$35	\$32,607	\$2,471	\$30.89	\$4.00	\$34.89
\$35- \$40	\$37,195	\$4,522	\$56.53	\$4.00	\$60.53
\$40- \$45	\$43,286	\$6,528	\$66.67	\$4.00	\$70.67
\$45- \$50	\$48,001	\$7,680	\$66.67	\$4.00	\$70.67
\$50- \$75	\$59,097	\$9,657	\$66.67	\$4.00	\$70.67
\$75- \$100	\$85,179	\$17,026	\$66.67	\$4.00	\$70.67
\$100- \$200	\$130,571	\$27,494	\$66.67	\$4.00	\$70.67
\$200 and up	\$683,850	\$135,850	\$66.67	\$4.00	\$70.67

JOINT RETURNS 3/

\$0- \$5	\$3,053	\$0	\$0.00	\$4.00	\$4.00
\$5- \$10	\$7,657	\$0	\$0.00	\$4.00	\$4.00
\$10- \$15	\$12,808	\$2	\$0.00	\$4.00	\$4.00
\$15- \$20	\$17,341	\$82	\$0.00	\$4.00	\$4.00
\$20- \$25	\$22,522	\$438	\$2.74	\$4.00	\$6.74
\$25- \$30	\$27,808	\$874	\$5.46	\$4.00	\$9.46
\$30- \$35	\$32,360	\$1,377	\$8.61	\$4.00	\$12.61
\$35- \$40	\$37,460	\$2,075	\$12.97	\$4.00	\$16.97
\$40- \$45	\$42,358	\$3,052	\$19.08	\$4.00	\$23.08
\$45- \$50	\$47,400	\$4,350	\$27.19	\$4.00	\$31.19
\$50- \$75	\$59,962	\$7,508	\$46.93	\$4.00	\$50.93
\$75- \$100	\$85,751	\$13,156	\$66.67	\$4.00	\$70.67
\$100- \$200	\$136,304	\$24,684	\$66.67	\$4.00	\$70.67
\$200 and up	\$677,495	\$143,271	\$66.67	\$4.00	\$70.67

- 1/ Income is defined as adjusted gross income plus untaxed income from:
(1) untaxed social security benefits; (2) tax exempt interest; (3)
employer contributions for health plans and life insurance; (4) inside
build-up on life insurance; (5) workers' compensation; (6) contribu-
tions to IRA and Keogh accounts; and (7) minimum tax preferences in
excess of passive losses and passive losses not included in AGI.
- 2/ Computed at average tax liability per return in income class.
- 3/ Premiums based on two Medicare Part B enrollees.
- 4/ Payment of Part B premiums by Medicaid for enrollees below poverty
level not reflected.

TABLE 2.--MEDICARE CATASTROPHIC COVERAGE ACT OF 1988
[Calendar year 1993]

Income Class 1/ (\$1000s)	Average income per return 1/	Average tax liability per return	Supple- mental premium per enrollee 2/ (per month)	Monthly basic premium per enrollee 4/ (per month)	Total premium per enrollee (per month)
SINGLE RETURNS					
\$0- \$5	\$3,499	\$0	\$0.00	\$10.20	\$10.20
\$5- \$10	\$7,527	\$0	\$0.00	\$10.20	\$10.20
\$10- \$15	\$11,998	\$38	\$0.00	\$10.20	\$10.20
\$15- \$20	\$17,583	\$416	\$9.71	\$10.20	\$19.91
\$20- \$25	\$22,359	\$895	\$20.88	\$10.20	\$31.08
\$25- \$30	\$27,397	\$1,433	\$33.44	\$10.20	\$43.64
\$30- \$35	\$32,548	\$2,507	\$58.50	\$10.20	\$68.70
\$35- \$40	\$36,649	\$3,649	\$85.14	\$10.20	\$95.34
\$40- \$45	\$42,201	\$4,701	\$87.50	\$10.20	\$97.70
\$45- \$50	\$47,261	\$6,163	\$87.50	\$10.20	\$97.70
\$50- \$75	\$62,290	\$9,641	\$87.50	\$10.20	\$97.70
\$75- \$100	\$84,748	\$13,948	\$87.50	\$10.20	\$97.70
\$100- \$200	\$129,993	\$28,217	\$87.50	\$10.20	\$97.70
\$200 and up	\$604,828	\$122,343	\$87.50	\$10.20	\$97.70
JOINT RETURNS 3/					
\$0- \$5	\$2,930	\$0	\$0.00	\$10.20	\$10.20
\$5- \$10	\$7,864	\$0	\$0.00	\$10.20	\$10.20
\$10- \$15	\$12,905	\$0	\$0.00	\$10.20	\$10.20
\$15- \$20	\$17,444	\$23	\$0.00	\$10.20	\$10.20
\$20- \$25	\$22,324	\$310	\$3.62	\$10.20	\$13.82
\$25- \$30	\$27,424	\$526	\$6.14	\$10.20	\$16.34
\$30- \$35	\$32,524	\$898	\$10.48	\$10.20	\$20.68
\$35- \$40	\$37,395	\$1,385	\$16.16	\$10.20	\$26.36
\$40- \$45	\$42,255	\$2,034	\$23.73	\$10.20	\$33.93
\$45- \$50	\$47,449	\$3,149	\$36.74	\$10.20	\$46.94
\$50- \$75	\$60,407	\$6,117	\$71.37	\$10.20	\$81.57
\$75- \$100	\$87,371	\$12,511	\$87.50	\$10.20	\$97.70
\$100- \$200	\$138,845	\$23,341	\$87.50	\$10.20	\$97.70
\$200 and up	\$658,538	\$141,374	\$87.50	\$10.20	\$97.70

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(1) untaxed social security benefits; (2) tax exempt interest; (3)
employer contributions for health plans and life insurance; (4) inside
build-up on life insurance; (5) workers' compensation; (6) contribu-
tions to IRA and Keogh accounts; and (7) minimum tax preferences in
excess of passive losses and passive losses not included in AGI.
- 2/ Computed at average tax liability per return in income class.
- 3/ Premiums based on two Medicare Part B enrollees.
- 4/ Payment of Part B premiums by Medicaid for enrollees below poverty
level not reflected.

**TABLE 3.--CONFERENCE AGREEMENT ON
MEDICARE CATASTROPHIC COVERAGE ACT OF 1988:
DISTRIBUTIONAL EFFECT OF PREMIUMS, CY 1993**

**A. Average Change in Basic and Supplemental Premiums Per Enrollee
(Per Month in 1988 Dollars)**

Income Class (1000s of 1988 dollars)	Average Income per Return (CY 1993 in 1988 dollars)	Supplemental Premium (\$42 per \$150 of tax liability)	Basic Premium ¹ (\$10.20 per month in 1993 dollars)	Total Financing
\$0 - 5	\$2,560	\$0.00	\$0.00	\$0.00
5 - 10	7,074	0.06	6.13	6.19
10 - 15	12,508	2.42	7.50	9.92
15 - 20	17,407	8.37	7.97	16.34
20 - 30	24,497	16.72	8.06	24.78
30 - 50	37,288	34.24	8.17	42.41
50 - 75	59,261	64.71	8.17	72.88
75 -200	112,538	67.47	8.17	75.64
200 & up	606,997	68.70	8.17	76.87
Average	\$24,614	\$14.36	\$6.57	\$20.93

B. Distribution of Basic and Supplemental Premium Increase

Income Class (1000s of 1988 dollars)	Income per Return (CY 1993)	Supplemental Premium (\$42 per \$150 of tax liability)	Basic Premium ¹ (\$10.20 per month in 1993 dollars)	Total Financing
\$0 - 5	1.4%	0.0%	0.0%	0.0%
5 - 10	7.2	0.1	20.3	6.4
10 - 15	6.8	2.3	15.5	6.4
15 - 20	8.2	6.8	14.1	9.1
20 - 30	18.2	23.5	24.7	23.9
30 - 50	16.3	29.7	15.2	25.1
50 - 75	9.7	19.0	5.2	14.7
75 -200	12.9	14.5	3.8	11.1
200 & up	19.3	4.2	1.1	3.2
Average	100.0%	100.0%	100.0%	100.0%

¹Reflects payment by Medicaid of Part B premiums for all enrollees below 100 percent of the poverty level.

